REMARKS

INTRODUCTION

Claims 1-20 were previously and are currently pending and under consideration.

Claims 1-20 are rejected.

No claims are amended herein.

No new matter is being presented, and approval and entry are respectfully requested.

ENTRY OF AMENDMENT UNDER 37 CFR §1.116

Applicant requests entry of this Rule 116 Response because:

(a) the remarks were not earlier presented because the Applicant believed in good faith that the cited prior art did not disclose the present invention as previously claimed;

(b) the remarks should not entail any further search by the Examiner since no new features are being added or no new issues are being raised; and

(c) the scope of the claims is not altered. No new features or new issues are being raised.

The Manual of Patent Examining Procedures sets forth in Section 714.12 that "any amendment that would place the case either in condition for allowance <u>or in better form for appeal</u> may be entered." Moreover, Section 714.13 sets forth that "the Proposed Amendment should be given sufficient consideration to determine whether the claims are in condition for allowance and/or whether the issues on appeal are simplified." The Manual of Patent Examining Procedures further articulates that the reason for any non-entry should be explained expressly in the Advisory Action.

REJECTIONS UNDER 35 USC § 102

In the Office Action, at pages 2-4, claims 1-3, 5, 9-12, 14, and 18-20 were rejected under 35 U.S.C. § 102 as anticipated by Himmelstein. This rejection is traversed and reconsideration is requested.

HIMMELSTEIN DOES NOT DISCUSS A CHAIN ORDER THAT IS ITSELF CHAINED TO EXECUTION OF ANOTHER ORDER

Claim 1 for, example, recites "the chain order being **(1)** an order requesting, **(2)** on condition of execution of an order for sale or purchase of the first type of fungible goods, **(3)** purchase or sale of a second [different] type of fungible goods". The chain order is a special type of order with an innate property. That is to say, the chain order itself (1) is chained to or conditioned on (2) execution of another order. The conditional status of the chain order exists independent of any other transaction. The chain order may be thought of as an order with an attached or associated condition ("an order requesting"). The condition is an explicitly recited feature that co-exists with the inputted chain order. The order itself, independently of its execution or the execution of another order, requests that it be executed upon condition of the execution of some other order for some other goods. The condition exists even before detection of an order for the goods upon which it is conditioned. The barter orders of Himmelstein do not possess this condition feature. Each barter order has a thing desired to be given by barter, and a thing desired to be obtained thereby.

This distinctive aspect of the chain order is also apparent in how the chain order is processed. In claim 1, for example, the chain order for first goods is automatically executed responsive to detection of execution of a buy or sell order for the second goods upon whose purchase or sale the chain order is conditioned. In contrast, with Himmelstein, the matching engine simply finds a match for the barter order. Execution of a barter order is not conditioned upon execution of another order. Rather execution is manually performed by the person who submitted the barter order, which is another difference discussed below.

This difference of a chain order from a barter order can also be appreciated with reference to an electronic market. Claim 1 recites an electronic market where orders (buy or sell) are inputted. The orders in Himmelstein are <u>barter</u> orders and are not automatically executed as typically occurs in an <u>electronic market</u>, which may match and execute buy and sell

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orders. In Himmelstein, transactions occur between a first party buyer and a second party seller. With an aspect of the present invention, an example like the following is possible. A first party can purchase second goods from a third party, *on condition of* sale of first goods to a second party. Or, (p1 --buy--> g2/p2) IF/WHEN (X (p2) --buy--> g1).

The independent condition of the chain order is further established in claims 19 and 20. Claim 19 recites "conditioning execution of the second open order by interactively establishing a relation in the electronic market between the first open order and the second open order, by disallowing execution of the second open order until after execution of the first order". Claim 20 recites "conditioning execution of the second open order by interactively establishing a requirement that the second open order not be executed until after execution of an order for a first type of goods". Himmelstein allows entry of a barter order, but there is no discussion of interactively relating a barter order to another order or good and thereby holding or conditioning its execution.

HIMMELSTEIN DOES NOT AUTOMATICALLY EXECUTE A CHAIN ORDER RESPONSIVE TO DETECTION OF EXECUTION OF AN ORDER FOR THE GOODS UPON WHICH THE CHAIN ORDER IS CONDITIONED

Claim 1, for example, recites "responsive to the detection of execution of a buy or sell order ... automatically executing the chain order". In other words, the pending independent claims recite a feature of responding to detection of an order matching the condition of a chain order by automatically executing the chain order. The Merriam-Webster Dictionary notes that "execute" can be used to indicate "to carry out fully: put completely into effect". The term "execute" or "execution" is also known in the art to indicate the completion, finalization, acceptance, etc. of an order, trade, transaction, etc.

Himmelstein is distinguishable because it discusses only a user who posts a barter order *manually selecting* a displayed matching barter order. The rejection refers to paragraph 38 of Himmelstein, however, this paragraph notes that "[p]osted barter orders 'matching' a barterer's order are displayed such that *the barterer can select a candidate or candidates* from the displayed listing of matching posted orders". Furthermore: "Posted barter orders from the display are selected", abstract, last sentence; step 454 in Fig. 4D; the entire Fig. 6 ("click on order # if choose to do barter"); "[t]o implement a barter, the barterer selects a posted barter order from a display of matching barter orders", paragraph 8; paragraph 45; paragraph 70, first

line; paragraph 72, line 1; paragraph 74, first sentence; paragraph 106; and each independent claim. This understanding of Himmelstein is further based on of the stated principals of Himmelstein, which is to allow traders to "evaluate the financial benefit of potential matching candidate barter orders" (paragraph 9), to "allow ownership acquisition deferral" (paragraph 11), and to thereby defer taxable events (paragraph 8). These principals confirm that Himmelstein does not teach automated execution responsive to execution of an order satisfying the chain order's condition. Furthermore, Himmelstein therefore teaches away from any such modification.

Claims 9, 10, and 18-20 recite similar features. Withdrawal of the rejection of claims 1, 9, and 10 is respectfully requested.

REJECTIONS UNDER 35 USC § 103

In the Office Action, at pages 4 and 5, claims 7, 8, 16, and 17 were rejected under 35 U.S.C. § 103 as obvious in view of Himmelstein. At pages 5 and 6, claims 4, 6, 13, and 15 were rejected as obvious over Himmelstein in view of Nymeyer. These rejections are traversed and reconsideration is requested.

CLAIMS 4 AND 13: INHIBITING DISPLAY OF AN ORDER THAT MATCHES A CHAIN ORDER WHEN THE CHAIN ORDER HAS NOT YET BEEN SATISFIED

Claim 4 relates to inhibiting display of an order that matches a chain order when the chain order has not yet been satisfied. For example, suppose that first an ordinary order (A) to sell the second type of good is outstanding in the system (perhaps already displayed or about to be displayed). Second, assume the arrival/entry of a particular chain order (B) to purchase the second type of good, where the chain order (B) is chained to a purchase/sale of a first type of good. Claim 4 relates to a feature of inhibiting display of order (A) when it satisfies or matches the offer in chain order (B). In other words, order (A) is a matching order, not a "chained order."

The rejection refers to Nymeyer as discussing the feature of claim 4. However, Nymeyer discusses delaying (inhibition) the <u>submission</u> of "at market" orders (orders to buy/sell at current market value) <u>into the market</u> when certain market conditions occur (see col. 12, lines 7-27). This delay or inhibition is not related to a chain order matched to the "at market" order.

Claim 13 recites similar features. Withdrawal of the rejection of claims 4 and 13 is respectfully requested.

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DEPENDENT CLAIMS

The dependent claims are deemed patentable due at least to their dependence from allowable independent claims. These claims are also patentable due to their recitation of independently distinguishing features. For example, claim 2 recites deleting the chain order with respect to which the automatic execution has been completed by said chain order processing means. This feature is not taught or suggested by the prior art. Withdrawal of the rejection of the dependent claims is respectfully requested.

CONCLUSION

There being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

Finally, if there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

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